

RECOMMENDATION LOCATOR				
Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
1	28	The Department of Agriculture should complete a review of employee personnel files and reconfirm that withholding documentation is accurate and complete.	Agree	12/31/2001
2	32	The Department of Corrections should review the policy on communicating employee status changes with department supervisors.	Agree	1/1/2002
3	37	The Department of Health Care Policy and Financing should ensure all accounts receivable balances are reconciled on a periodic basis and all federal receivables not subsequently collected are resolved within one year.	Agree	6/30/2001
4	40	The Department of Health Care Policy and Financing and the Department of Human Services should work together to assign responsibilities for overall cost control over Medicaid funding for Department of Human Services programs.	Agree	12/31/2001
5	40	The Department of Health Care Policy and Financing and the Department of Human Services should operate within their fixed budgets when possible, and identify and request approval for unavoidable overexpenditures in a timely manner.	Agree	8/6/2001

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6	43	The Department of Health Care Policy and Financing and the Department of Human Services should improve coordination and communication to ensure that expenditures are appropriately and consistently charged and that expenditures are transferred timely.	Agree	12/31/2001
7	47	The Department of Health Care Policy and Financing and the Department of Human Services should institute a quarterly process for reviewing and reconciling Medicaid expenditures for Department of Human Services programs recorded at the Department of Health Care Policy and Financing.	Agree	1/31/2002
8	47	The Department of Human Services should improve management of Medicaid funds by (a) establishing monthly reconciliation processes within Medicaid-funded programs and (b) implementing an analytical review process over Medicaid activity.	Agree	1/31/2002
9	48	The Department of Human Services should follow generally accepted accounting principles related to accounts payable by (a) calculating appropriate year-end estimates and (b) reviewing expenditures charged to accounts payable after year-end.	Agree	8/6/2001
10	51	The Colorado Historical Society should ensure the Byers-Evans House submits cash register tapes with all revenue remittances.	Agree	12/31/2001

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11	56	The Department of Human Services should record expenditures within the proper appropriations and reverse unused accounts payable accruals.	Agree	7/1/2001
12	58	The Department of Human Services should improve controls over fixed assets by (a) completing quarterly reconciliations between fixed asset expenditures and additions to fixed assets and (b) correcting identified errors on COFRS prior to fiscal year-end.	Agree	3/31/2002
13	59	The Department of Human Services should ensure securities held as retainage for construction projects are recorded in COFRS accurately and in a timely manner.	Agree	12/30/2001
14	62	The Department of Labor and Employment should isolate and identify the indirect allocation charges for federal grants and perform a reconciliation to the State's financial reporting system periodically.	Agree	6/30/2002
15	64	The Department of Military Affairs should improve oversight of financial activity and ensure controls over accounting functions are adequate.	Partially Agree	Partially Implemented
16	68	The Department of Military Affairs should reduce delays in processing transactions.	Partially Agree	Partially Implemented

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17	74	The Oil and Gas Conservation Commission should ensure that all certificates of deposit are in compliance with statutory and other legal requirements by (a) determining whether they are being held in eligible public depositories, (b) notifying operators of the need to move existing certificates of deposit, (c) enforcing the transfer of all certificates of deposit to eligible public depositories, and (d) working with the Attorney General's Office to determine who should be designated as the official custodian of the certificates of deposit.	Agree	7/1/2002
18	79	The Division of Wildlife should improve controls to reduce the number of cancelled payments by (a) ensuring applicant information is correct, (b) cross-checking between returned limited license refund checks and returning applicants, (c) following up on returned limited license refunds, (d) documenting the reason for a duplicate payment, and (e) documenting the reason for cancelling a warrant.	Agree	Parts a and c: Implemented Part b: 3/31/2003 Parts d and e: 2/1/2002
19	82	The Division of Minerals and Geology should perform a monthly reconciliation between internal databases and the State's accounting system for (a) mined land reclamation deposits and (b) cash receipts.	Agree	Part a: 2/8/2002 Part b: 2/20/2002

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20	88	The Department of Personnel and Administration should monitor sick and annual leave on a statewide basis by (a) reviewing the adequacy of leave tracking systems and (b) establishing a project schedule and deadlines for implementing a statewide automated leave system.	Agree	Part a: 6/1/2002 and ongoing Part b: 6/30/2003
21	90	The Department of Personnel and Administration should ensure that (a) the payroll process duties are segregated and (b) all divisions receive and review their payroll expense reports, and payroll staff review and verify that each division confirms the accuracy of its monthly and biweekly payroll in a timely manner.	Agree	3/1/2002
22	91	The Department of Personnel and Administration, Executive Director's Office, should implement procedures to review Central Collections' supporting documentation prior to approval of payments.	Agree	3/1/2002
23	94	The State Controller's Office should assess ongoing problems identified during audits, and assist agencies in addressing and resolving high priority problems.	Agree	6/30/2002 and ongoing
24	97	The State Controller's Office should record write-offs of uncollectible accounts receivable as a current year expense in the year in which the determination is made, unless evidence exists that attributes the adjustment to a prior period.	Partially Agree	6/30/2002

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25	98	The State Controller's Office should eliminate the prenotification requirement or reduce the time period to ensure initial EFT payments to vendors are made in a timely manner.	Agree	6/30/2002
26	102	The Department of Personnel and Administration, State Archives, should work with the General Assembly to establish standards for records management.	Agree	6/30/2003
27	103	State Archives should require the submission of inventory listings of records stored and storage space used from each agency.	Agree	6/30/2003
28	103	State Archives should improve communication regarding (a) records management policies and procedures, (b) purging and destroying records, and (c) maintenance and storage of records.	Agree	7/15/2002
29	104	State Archives should convert the current cataloging system from a paper to an electronic format.	Agree	6/30/2003
30	105	State Archives should ensure that training is available to all agencies by (a) taking steps to publicize the type and nature of training that is available and (b) conducting general training sessions for all agency records officers.	Agree	8/1/2002

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31	107	The Department of Personnel and Administration, Central Services, should ensure that there is (a) proper segregation of duties and limited access to necessary functions by employees and (b) backups of application files and master data files are stored off-site in case of a disaster.	Agree	6/30/2001
32	113	The Department of Revenue should ensure that only eligible individuals claim and receive TABOR credits by (a) identifying and billing individuals that were ineligible, (b) ensuring that taxpayers are eligible for the credits taken, and (c) processing only complete returns, or evaluating methods of ensuring that accurate credits are claimed should the taxpayer fail to submit the required schedules.	Agree	12/31/2002
33	116	The Department of Revenue should resolve outstanding check issues to ensure that taxpayers receive their personal property tax refunds in a timely manner.	Agree	1/31/2002
34	118	The Department of Revenue should enhance personal property tax refund procedures by (a) ensuring all the information furnished by the counties will be entered correctly and encouraging counties to file the report electronically and (b) providing additional training and assistance to counties.	Agree	Implemented

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35	121	The State Treasurer's Office should ensure that all custodial funds receive the proper amount of interest due by (a) identifying the custodial funds that should receive interest, (b) determining how much interest should have been paid to custodial funds for the past three fiscal years, and (c) determining the TABOR effect.	Agree	6/30/2002
36	128	The Department of Transportation should create a standard template to complete reconciliations of the Note proceeds bank accounts, and assign and train one individual to perform the reconciliations.	Agree	12/31/2001
37	129	The Department of Transportation should (a) ensure that leases are properly classified as operating or capital, (b) evaluate the completeness and accuracy of the operating lease summary, and (c) review the operating lease summary for accuracy at year-end.	Agree	6/30/2002
38	133	The Department of Health Care Policy and Financing should ensure payments are made only for allowable costs by (a) requiring current Electronic Data Interchange agreements for every provider, (b) establishing procedures to test providers' compliance with established requirements, (c) ensuring transportation payments are made only to authorized providers, and (d) establishing reviews of the Medicaid claims process.	Agree	Part a: 6/30/2005 Part b: 6/30/2002 Part c: 7/1/2002 Part d: 4/30/2002

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39	135	The Department of Health Care Policy and Financing should ensure adequate controls are in place over automated systems for the Medicaid program by (a) performing and documenting the required biennial risk analysis for the Medicaid Management Information System (MMIS) and (b) implementing a regular, systematic, independent assessment of controls over MMIS.	Agree	Part a: 6/30/2002 Part b: 12/31/2002
40	138	The Department of Health Care Policy and Financing should strengthen controls over the eligibility process by (a) working with the Department of Human Services to ensure all county departments of social services are maintaining adequate files for Medicaid-eligible beneficiaries, (b) establishing control procedures to ensure claims are not paid for an individual who is ineligible for benefits, and (c) performing periodic random testing of eligibility claims.	Agree	Parts a and c: 8/31/2002 Part b: 12/31/2002
41	141	The Department of Health Care Policy and Financing should improve controls over provider eligibility by (a) requiring that the fiscal agent ensure each file includes documentation of a current provider agreement and applicable provider licenses and registrations, (b) ensuring expenditures are made only to eligible providers, and (c) formalizing a five-year strategic plan for provider reenrollment.	Agree	Part a: 6/30/2005 Part b: 8/31/2002 Part c: Implemented

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42	142	The Department of Health Care Policy and Financing should improve documentation of program integrity cases by (a) ensuring all cases are handled consistently and timely and (b) requiring that case files contain all required supporting documentation and approvals.	Agree	Part a: Implemented Part b: 4/30/2001
43	144	The Department of Health Care Policy and Financing should require a periodic review of eligibility determination for the Children's Basic Health Plan to ensure proper enrollment.	Agree	6/30/2002
44	145	The Department of Health Care Policy and Financing should modify the Interagency Agreement with the Department of Human Services for single entry point (SEP) subrecipient monitoring by (a) conducting risk assessments for each SEP to evaluate the need for an on-site financial review and (b) requiring that all SEPs receive an on-site financial review within a reasonable period of time.	Agree	Part a: 7/1/2002 Part b: 7/1/2004 (pending legislative approval)
45	149	The Department of Health Care Policy and Financing should ensure claims processed through MMIS are accurate and allowable under the Medicaid program by (a) establishing performance measures for claims processing, (b) conducting regular claims audits, (c) reporting all errors and problems identified in the claims audit, and (d) ensuring corrective action plans are developed and implemented in a timely manner.	Agree	Part a: 6/30/2001 Parts b and c: 9/15/2001 Part d: 9/30/2001 and ongoing

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46	152	The Department of Health Care Policy and Financing should ensure claims processed are accurate and allowable by requiring the fiscal agent to (a) expand quality assurance procedures for testing the accuracy of data entry on paper claims, (b) conduct regular audits of paid claims on a defined percentage of processed claims, and (c) increase oversight of edit resolution claim technicians and reassess production requirements to ensure suspended claims are appropriately resolved.	Agree	Parts a and b: 9/1/2001 Part c: 8/1/2001
47	154	The Department of Health Care Policy and Financing should establish the review of MMIS edits, edit dispositions, and edit resolution text as a high priority.	Agree	8/31/2001
48	156	The Department of Health Care Policy and Financing should develop and implement adequate controls over the provider database in MMIS by establishing formal policies, procedures, and time frames for (a) routine reenrollment of Medicaid providers, (b) deactivation of providers who have not submitted claims to the Medicaid program for specified lengths of time, and (c) periodic data matches on provider credential information with other state agencies that regulate Medicaid providers.	Agree	8/31/2001
49	158	The Department of Health Care Policy and Financing should establish routine communication on disciplinary actions taken by other state agencies that regulate Medicaid providers.	Agree	8/31/2001

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50	159	The Department of Health Care Policy and Financing should implement edits in MMIS to review laboratory claims for compliance with CLIA requirements in accordance with state Medicaid policy.	Agree	6/30/2001
51	169	The Department of Health Care Policy and Financing should work with the General Assembly to develop more appropriate service limits for HCBS and home health services.	Agree	10/1/2001
52	170	The Department of Health Care Policy and Financing should routinely monitor the overall costs of skilled and unskilled care for individuals in community settings.	Agree	10/1/2001
53	174	The Department of Health Care Policy and Financing should monitor the implementation of the home health rules.	Agree	Ongoing
54	177	The Department of Health Care Policy and Financing should increase the value added by its Program Integrity Unit.	Agree	7/1/2002
55	181	The Department of Health Care Policy and Financing should work with the State's Fiscal Agent to implement additional system edits and controls. Further, the Department should perform ongoing reviews of the edits in place.	Agree	8/1/2001

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56	183	The Department of Health Care Policy and Financing should evaluate the costs and benefits of combining assessment and eligibility determination, and establish an independent review of these processes.	Agree	3/1/2002
57	185	The Department of Health Care Policy and Financing should include enforcement actions in the SEP contracts.	Agree	6/30/2002
58	189	The University of Colorado at Boulder should ensure that review of audit reports of subrecipient monitoring activity addresses proper review and resolution of findings noted in the reports.	Agree	12/31/2001
59	192	The University of Southern Colorado should (a) ensure the promissory notes addendum is provided to students and included in their files, (b) ensure timely contact with borrowers during grace periods, (c) obtain adequate documentation from students for loan deferments or cancelled loans, (d) ensure contact with borrowers in default is performed as required, (e) conduct exit counseling with borrowers, (f) ensure those responsible for the federal Perkins Loan Program are properly trained, and (g) consider outsourcing the federal Perkins loan database administration and collection functions.	Agree	Part a: Implemented Parts b, c, d, e, f: 6/30/2002 Part g: 1/31/2002

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60	194	The University of Southern Colorado should implement procedures to ensure that returns of Title IV funds are calculated accurately for all students, and returned to Title IV programs on a timely basis.	Agree	12/31/2001
61	196	The University of Northern Colorado should change the beginning of the grace period for Perkins loan borrowers who withdraw from the University or drop to less than half-time enrollment.	Agree	10/1/2001
62	198	The Colorado School of Mines should ensure subrecipient files are properly maintained, and provide documentation for the subrecipient monitoring that has occurred.	Agree	12/31/2001
63	198	The Colorado School of Mines should ensure counseling sessions are performed and documented.	Agree	1/31/2002
64	204	The Department of Human Services should develop a formalized process for on-site monitoring of county activities for the TANF program to ensure that federal and state requirements are met, including a time frame for conducting county reviews and specific steps for performing follow-up.	Agree	4/1/2002 and ongoing

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65	205	The Department of Human Services should ensure adequate controls over fraud and abuse in the TANF program by counties by (a) requiring counties to submit standards and procedures, (b) reviewing these standards and procedures for compliance to the State Plan, (c) developing a formal process that includes a monitoring schedule for reviews of county fraud procedures and cases, and (d) following up on problems identified during county reviews.	Agree	Part a: 4/15/2002 Part b: 6/15/2002 Part c: 6/15/2002 and ongoing Part d: 5/15/2002 and ongoing
66	209	The Department of Human Services should ensure federal funds are drawn down in a timely manner for all federal programs.	Agree	3/31/2002
67	212	The Department of Human Services should improve inventory controls for the Food Distribution Program by (a) resolving identified discrepancies and (b) developing formal procedures for tracking commodities.	Agree	11/1/2001
68	213	The Department of Human Services should segregate duties within the Food Distribution Program.	Agree	11/1/2001
69	215	The Department of Human Services should improve controls over the Vocational Rehabilitation program to ensure compliance with federal and state regulations by (a) reinstating on-site quality assurance reviews and (b) documenting supervisory review procedures.	Agree	7/1/2001

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70	217	The Department of Human Services should strengthen fiscal controls and accounting procedures over reporting for the Vocational Rehabilitation Program by (a) maintaining adequate documentation, (b) reviewing reports prior to submission, and (c) documenting procedures for preparation of the reports.	Agree	3/31/2002
71	220	The Department of Human Services should (a) develop and/or formalize policies and procedures for all CFMS functional areas, (b) perform a comprehensive review of existing policies and procedures, (c) perform periodic review of policies and procedures, and (d) establish a process to monitor compliance with policies and procedures.	Agree	12/31/2000
72	223	The Department of Human Services should require DynCorp to review the current database access structure for appropriate segregation of duties. The Department should establish procedures that require appropriate authorization of logical access and change database passwords periodically.	Agree	12/31/2000
73	225	The Department of Human Services should modify the agreement with DynCorp to include responsibility for application change management.	Agree	12/31/2000

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74	225	The Department of Human Services should require DynCorp to strengthen adherence to application change management policies and procedures.	Agree	12/31/2000
75	226	The Department of Human Services should develop, formalize, and monitor policies and procedures related to database administration.	Agree	6/30/2001
76	227	The Department of Human Services should designate a UNIX administrator.	Agree	9/1/2000
77	228	The Department of Human Services should consider utilization of database audit functionality.	Agree	10/31/2000
78	230	The Department of Human Services should (a) strengthen adherence to application user access setup policies, (b) eliminate all generic user IDs with published passwords, and (c) review user access periodically.	Agree	12/31/2000
79	232	The Department of Human Services should review positions and responsibilities to ensure all critical duties are performed in a timely manner while maintaining an appropriate segregation of duties.	Agree	9/30/2000

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80	235	The Department of Human Services should work with the Department of Health Care Policy and Financing to identify the most cost-effective methods for having financial compliance reviews completed more frequently.	Agree	Ongoing
81	240	The Department of Labor and Employment should improve coordination efforts between Welfare-to-Work, Temporary Assistance to Needy Families, and other employment programs in the State.	Agree	12/31/2001
82	244	The Department of Labor and Employment should identify and implement solutions to ensure timely delivery of payroll documents to Welfare-to-Work clients.	Partially Agree	12/31/2001
83	250	The Department of Labor and Employment should improve how the State's Welfare-to-Work programs are monitored.	Agree	10/31/2001
84	253	The Department of Labor and Employment should ensure that workforce regions maintain complete and accurate records on Welfare-to-Work clients.	Agree	12/31/2001

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85	262	The Department of Public Health and Environment, Health Facilities Division, should improve the home health and HCBS survey process by (a) requiring supervisors to review survey documents, (b) ensuring that surveyor performance evaluations include performance measures, and (c) improving record-keeping.	Agree	Parts a and b: Implemented Part c: 12/31/2001
86	265	The Health Facilities Division should ensure that providers are surveyed timely and efficiently by (a) adding a cycle to the survey scheduling and tracking database, (b) requiring surveyors to document reasons for assigning survey cycles, (c) performing regular reviews of assigned cycles for appropriateness, and (d) resurveying new HCBS providers after the providers admit clients.	Agree	Part a: 12/31/2001 Parts b and c: Implemented Part d: 10/31/2001
87	267	The Health Facilities Division should ensure that adequate documentation is maintained when changes are made to providers' deficiency lists.	Agree	12/31/2001
88	268	The Health Facilities Division should work with the federal Health Care Financing Administration to clarify whether scope and severity coding is appropriate for home health deficiencies.	Agree	10/31/2001
89	272	The Treasurer's Office should comply with CMIA regulations by maintaining proper documentation to support the State's direct cost claim.	Agree	12/31/2001

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90	274	The Department of Transportation should require field engineers to provide written communication of the number of interviews performed, as well as anticipated future interviews.	Agree	6/30/2002
91	275	The Department of Transportation should monitor and review entries to the pay system and payments made to contractors.	Agree	12/31/2001